



State Worker's Compensation Program

The Department of Administrative Services (DAS) administers the State Workers' Compensation Program. The Program provides medical care and lost-time benefits to State employees that have received a work-related injury or illness.¹ The State Treasurer maintains the State Employee Workers' Compensation Fund under the control of the DAS for the payment of claims and administrative costs.

The DAS has established a rating formula and assesses premiums to all State agencies, departments, and divisions, including those that do not receive a State appropriation for the payment of workers' compensation. Iowa does not purchase commercial insurance. Instead, the State is self-insured by setting aside assets for claim settlements in internal service funds or by paying claims from the State General Fund. The DAS determines the total premiums that need to be charged to make the required payments each year. The DAS collects premiums from each agency based on a variety of factors including claims experience.

Eligibility

The following is a list of employees eligible for the State Workers' Compensation Program as defined by statute:

- Executive Branch employees
- Legislative Branch employees
- Judicial Branch employees
- Employees of Iowa Prison Industries
- Inmates injured while performing assigned work tasks
- Court-mandated community service workers injured while performing assigned tasks
- County Soil Conservation contract employees
- Election workers
- University of Iowa Hospitals and Clinics contract volunteers
- Board/commission members injured while conducting board/commission service
- Americorps employees injured while performing State-sponsored work tasks
- Paid interns
- University-sponsored work/travel abroad students injured while performing work tasks

Reporting Requirements and Statute of Limitations

All new claims must be reported to the employer within 90 days of the employee's knowledge that an alleged work injury occurred. The employer, the third party administrator, and the insurer must report all indemnity or lost time claims to the Division of Workers' Compensation of the Department of Workforce Development.² If an employee is a Medicare beneficiary, all settled claims by the Iowa Workforce Development Workers' Compensation Commission must be reported to the Centers for Medicare and Medicaid Services (CMS), under federal law.

More Information

Department of Administrative Services: <https://das.iowa.gov/>

Iowa General Assembly: <https://www.legis.iowa.gov/>

LSA Staff Contact: Jennifer Acton (515-281-7846) jennifer.acton@legis.iowa.gov

¹ Iowa Code section [8A.457](#)

² Iowa Workforce Development oversees workers' compensation coverage for all employers/employees, per Iowa Code [chapter 85](#).

State Worker's Compensation Program

Indemnity claims are the obligation of the employer to provide compensation for a particular loss suffered by the employee. An injured party has up to two years from the date of the injury to claim medical costs and weekly benefits (a dispute that the injury was work-related) or within three years after the last weekly payment (a dispute over the degree of injury). Indemnity claims have a lifetime statute of limitations for medical benefits. Permanent total disability claims are essentially lifetime weekly benefits. If the claimant dies as a result of the work injury, the benefits continue until the marriage/death of the beneficiary.

Current Third-Party Administrator

Sedgwick is the current third-party administrator for the State. Sedgwick won the initial State of Iowa bid and began providing services in July 2001. The contract was capped at six years with an initial two-year contract and the option of two separate two-year extensions. Sedgwick won the second bid in 2007. The third contract began in 2013 and the first two-year contract (with the option to extend via contract renewals not to exceed six years) ended on June 30, 2015. The contract was extended nine months and now ends March 31, 2016. The DAS Human Resource Enterprise (HRE) monitors this program daily and direct claim information is available to departments through their office. Sedgwick works closely with DAS/HRE and the Attorney General's Office on medical costs and indemnity claims to ensure efficient claims management processes are provided for all State of Iowa employee claims. Appeals for workers' compensation claims are handled by the Division of Workers' Compensation of the Department of Workforce Development.

Workers' Compensation Insurance Fund

The DAS bills agencies for workers' compensation through the DAS utility service number 3859 (Workers' Compensation). The workers' compensation premium is used to fund all aspects of the program and varies by department. The rate methodology is based on numerous variables including agency claim experience, trends, administration costs, vendor costs, and expenses of the Attorney General's Office as related to workers' compensation.

The average amount of receipts to the Workers' Compensation Fund for the most recent five-year period is approximately \$25.8 million and the average carryforward balance is \$3.9 million (**Table 1**).

Table 1
Workers' Compensation Fund Revenue

Fiscal Year	Receipts		Balance Carry Forward		Total
2012	\$	24,228,955	\$	4,501,256	\$ 28,730,211
2013		25,082,612		3,133,747	28,216,359
2014		26,251,827		3,114,955	29,366,782
Est. 2015		27,400,481		3,562,391	30,962,872
Est. 2016		26,014,559		4,086,421	30,100,980
Average	\$	25,795,687	\$	3,679,754	\$ 29,475,441

Claim History

Table 2 provides the State Workers' Compensation Program claim history including new claims, closed claims, new incidents, total reported claims, and total amounts paid for calendar year 2010 through calendar year 2014.

Table 2
State Workers' Compensation Program Claims History

Calendar Year	New Claims	Closed or Resolved Claims	New Incidents	Total Newly Reported	Total Paid
2010	3,598	4,002	669	4,267	\$ 21,731,892
2011	3,373	3,478	569	3,942	24,469,158
2012	3,115	3,349	897	4,012	20,069,284
2013	3,184	3,347	771	3,955	24,171,676
2014	3,027	3,309	742	3,769	22,944,185
Average	3,259	3,497	730	3,989	\$ 22,677,239